



## Strategic Goal 8: Economic Prosperity and Security

Strengthen World Economic Growth, Development, and Stability, While Expanding Opportunities for U.S. Businesses and Ensuring Economic Security for the Nation

### I. Public Benefit

National security and global economic prosperity are inextricably linked and must be addressed jointly. Continued economic prosperity for the United States cannot be assured in the absence of prosperity, freedom, and economic opportunity worldwide. Our successes in opening markets through ambitious trade and investment agendas, in multiplying development efforts through private sector participation and recipient country accountability, and in supporting U.S. businesses through outreach and advocacy, build prosperity and security at home and abroad. We work closely with other agencies, businesses, labor groups, and NGOs to build a strong and dynamic international economic system that creates new opportunities for American business, workers, and farmers. We have made great strides in advancing national security and economic prosperity. As the war against terrorism has become central for U.S. foreign policy, we have focused on increasing U.S. economic security by supporting front-line states, tightening the noose around terrorist financing, increasing energy security, and improving the security of our transportation and information networks.

Greater prosperity abroad creates new jobs and higher incomes for Americans and citizens of other countries. Expanded trade is a powerful driving force for growth and development, and the Department is at the forefront of advancing our trade and investment agenda through bilateral, multilateral, and regional diplomatic efforts. We promote prosperity through market-expanding trade, aviation, telecommunication, and investment agreements, through international cooperation to promote flexible energy markets and sound financial markets, through fighting bribery and corruption, and through assisting developing countries to govern wisely and create favorable climates for trade and investment. Official development assistance plays an important role in helping countries on the road to economic prosperity and political stability. Our deep and comprehensive economic engagement with developing countries - through trade, investment, assistance, and debt relief - enhances the prosperity and security of those countries, and therefore our own.

Working closely with allies and major donors to assist countries recovering from conflict and natural disasters on the path to reconstruction and sustained economic growth is an important part of our efforts to expand the circle of economic prosperity. For example, the Department coordinated several successful donors' conferences in support of Iraq, negotiated a \$32 billion debt relief package for Iraq, and is assisting that country to conclude arrangements with non-Paris Club creditors. In addition to our work on Iraq, the Department and USAID work on reconstruction in post-conflict or post-disaster situations, serving the vital role of coordinating relevant agencies and donors. Beginning in December 2004, the two agencies coordinated U.S. government reconstruction assistance after the Indian Ocean Tsunami with a dozen U.S. government agencies, over fifty NGO and private sector groups, and fifteen top bilateral and multilateral donors.

### II. Resource Summary (\$ in Thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Change from FY 2006	
				Amount	%
Staff <sup>1</sup>	1,562	1,541	1,555	13	0.9%
Funds <sup>2</sup>	\$6,914,723	\$6,303,475	\$7,764,193	\$1,460,718	23.2%

Note (1): Department of State direct-funded positions.

Note (2): Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable.



### III. Strategic Goal Context


Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the Economic Prosperity and Security strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	Partners
Economic Prosperity and Security	Economic Growth and Development	Growth and Development Strategies	FSA, SEED, CIO, DA, D&CP, ESF, IO&P, MCA	EB, EUR, IO, EGAT, PPC/P	Treasury, DOC, MCC, USDA, EXIM, OPIC, USTDA, USTR, IMF, World Bank, Regional Development Banks, UNDP, ILO, WTO, OECD, UNCTAD, UNICEF, FAO, G-8
		Science-Based Decision-Making and Standards Development	CIO, D&CP, ESF	EB, OES, STAS, PPC/P, EGAT	EPA, NIH, NIST, UNESCO, APHIS, FDA
		Women's Economic Participation in Key Countries	FSA, SEED, DA	EGAT, DCHA	NGOs
		Private Sector Capacity	DA, ESF, FSA, SEED, IO&P, CIO	EB, Regional Bureaus, PPC/P, EGAT, Regional Bureaus	UNDP, ILO, WTO, UNCTAD, UNICEF, FAO, G8, EU, private sector and NGOs
	Trade and Investment	Create Open and Dynamic World, Regional, and National Markets	DA, D&CP, ESF, FSA, SEED	EB, regional bureaus, PPC/P, EGAT, regional bureaus	USTR, Treasury, DOC, DOT, USDA, USTDA, WTO, OECD, international institutions, private sector and NGOs
		Integrating Environmental Protection and Trade	DA, D&CP, ESF	OES, EGAT/ESP, regional bureaus	USTR, Treasury, DOC, USDA, USTDA, EPA, DOI, DOJ, WTO, OECD, international institutions, private sector and NGOs
	Secure and Stable Markets	Secure Energy Supplies	D&CP, FSA, SEED	EB, EGAT, E&E	DOE, IEA, foreign governments, NSC
		Stable Financial Markets	D&CP	EB	Treasury, IMF, World Bank, OECD, Regional Development Banks
	Food Security and Agricultural Development	Agriculture-led Income Opportunities Expanded	DA, D&CP, ESF, FSA, SEED	EGAT/ESP, AFR	USDA, FAO, WB, nongovernmental organizations
		Protect and Increase Assets and Livelihoods of the Poor	DA, PL 480, CIO	EGAT, AFR, DCHA	USDA, FAO, WB, nongovernmental organizations


## IV. Performance Summary

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2007 performance indicators and targets are shown below.

Annual Performance Goal #1	
EP.01 INSTITUTIONS, LAWS, AND POLICIES FOSTER PRIVATE SECTOR-LED ECONOMIC GROWTH, MACROECONOMIC STABILITY, AND POVERTY REDUCTION.	

I/P #1: Growth and Development Strategies		
Promote economic development by supporting sound policies that encourage trade and private investment, entrepreneurship, transparency and a strong business climate through work with other U.S. agencies, donor and recipient nations, the multilateral financial institutions, the OECD, and the G8 on multi-pronged development initiatives.		
	Outcome Indicator	
	Indicator #1: Monitoring Country Progress Index for Economic Reform	
TARGETS	FY 2007	1. Support for Eastern European Democracy (SEED) -- Monitoring Country Progress (MCP) Economic Reform Index 3.30. 2. Freedom Support Act (FSA) -- MCP Economic Reform Index 2.80.
	FY 2006	1. SEED - MCP Economic Reform Index score 3.2 out of 5. 2. FSA - MCP Economic Reform Index score 2.7 out of 5.
RESULTS	2005	1. SEED MCP Economic Reform Index score 3.08 out of 5. 2. FSA MCP Economic Reform Index score 2.66 out of 5.
	2004	1. SEED - MCP Economic Reform Index 3.0 out of 5. 2. FSA - MCP Economic 2.57 out of 5.
	2003	1. SEED - MCP Economic Reform Index 3.0 out of 5. 2. FSA - MCP Economic 2.54 out of 5.
	2002	1. SEED - MCP Economic Reform Index 2.95 out of 5. 2. FSA - MCP Economic 2.52 out of 5.
DATA QUALITY	Indicator Validation	This indicator is a third-party index providing outcome-level performance trends for key countries where the USG promotes economic growth.
	Data Source	Scores range from 1 to 5 with 5 representing standards of advanced industrial market economies. Sources: Organization for Economic Co-operation and Development and World Bank publications. USAID reviews alternative sources annually. The MCP Economic Reform Index is constructed by USAID using European Bank for Reconstruction and Development's (EBRD) annual <i>Transition Report</i> and covers events through the preceding year. SEED includes the graduated countries of Eastern Europe. FSA includes the 12 countries of the former Soviet Union.







 <b>Outcome Indicator</b>		
<b>Indicator #2: Human Development Capacity in Afghanistan</b>		
<b>TARGETS</b>	<b>FY 2007</b>	<ol style="list-style-type: none"> <li>1. Community-based education and literacy programs improve access and quality of non-school based education settings.</li> <li>2. Ministry of Education capacity upgraded to plan, manage and evaluate in-service training and support for primary teachers.</li> <li>3. Provision of basic child health services and quality medical care through enhanced capacity of health workers with increased management and oversight from the Ministry of Public Health.</li> <li>4. Rehabilitation / construction of education and health facilities continues.</li> </ol>
	<b>FY 2006</b>	<ol style="list-style-type: none"> <li>1. Approximately 165,000 over-age students, mostly girls, continue in the accelerated learning program and complete 6th grade by December 30, 2006.</li> <li>2. Provide quality community-based education where government schools are not available.</li> <li>3. Provide basic literacy, numeracy and life skills training to 4,800 participants.</li> <li>4. Construct / rehabilitate 296 education facilities/schools and 267 health facilities/clinics. Ensure all new health clinics constructed are equipped with basic health services. Continue to train new and existing health care personnel.</li> </ol>
<b>RESULTS</b>	<b>2005</b>	<ol style="list-style-type: none"> <li>1. Nearly 170,000 students, 58% female, continued their education under the Accelerated Learning program.</li> <li>2. Over 10,000 teachers trained via the Accelerated Learning program, while 65,000 receive weekly teacher training via distance learning (radio).</li> <li>3. Cumulatively, from 2003 to August 2005, constructed or rehabilitated 376 schools.</li> <li>4. Provided 2.1 million people, of which 1.1 million were women of reproductive age, with basic health services.</li> <li>5. Since 2003, constructed / rehabilitated 389 clinics (cumulative).</li> <li>6. Provided 1.4 million children under 5 with quality child health services (neonatal care, immunizations, nutrition screening and treatment for childhood illnesses) through 320 health facilities.</li> <li>7. Social marketing activities: production and sale of bottled Clorin provided over 300 million liters of safe drinking water; sale of 2.3 million condoms and 296,000 oral contraceptives; and distribution of 78 health public service announcements.</li> </ol>
	<b>2004</b>	<ol style="list-style-type: none"> <li>1. Completed construction and inaugurated the National Women's Dormitory to accommodate up to 1,100 women attending universities in the Kabul area.</li> <li>2. Engaged 4,000 communities in accelerated learning (AL) for 170,000 overage students; 6,548 home classrooms for AL students and trained over 6,800 AL teachers.</li> <li>3. Health coverage through REACH supported health activities grew to 4.8 million people with basic health services.</li> <li>4. Cumulatively, from 2003 to September 2004, completed 255 clinics. Initiated the design, planning and contracting for 214 new or refurbished clinics.</li> </ol>
	<b>2003</b>	<ol style="list-style-type: none"> <li>1. 15,000 more teachers trained; 5 more district administrations trained; net primary enrollment 43%.</li> <li>2. Contraceptive Prevalence Rate: 32%; 75,000 Women Health Workers.</li> <li>3. Micro-finance institutions expanded services to meet unmet need in four additional urban centers and five underserved rural districts.</li> </ol>
	<b>2002</b>	<ol style="list-style-type: none"> <li>1. 34,500 teachers trained in improved teaching methods; 5 district administrations trained in improved management practices; net primary enrollment 42%</li> <li>2. Contraceptive Prevalence Rate: 30%; 70,000 Women Health Workers.</li> <li>3. 300,000 clients have access to micro-finance through existing banks and NGOs. -- 2.9 million children attended school, of which less than 30% were girls.</li> </ol>
<b>DATA QUALITY</b>	<b>Indicator Validation</b>	Targets are co-dependent. Progress in one of the areas will lead to a greater probability of success in the others. Greater access to education, particularly for girls, leads to lower birth rates and increased small business opportunities for women.
	<b>Data Source</b>	Project reports, research done in conjunction with design of Basic Education Project, and all studies and reports cited in Basic Education Project design.



Outcome Indicator		
Indicator #3: Per Capita Gross Domestic Product in Iraq		
TARGETS	FY 2007	\$1,528 per capita Gross Domestic Product (GDP).
	FY 2006	\$1,357 per capita GDP.
RESULTS	2005	\$1,051 per capita GDP.
	2004	<u>Baseline</u> : \$942 per capita GDP.
	2003	No significant results due to recent end of conflict.
	2002	N/A
DATA QUALITY	Indicator Validation	An increase in the GDP per capita is consistent with an increase in the standard of living. A rise in the GDP per capita indicates an increase in market stability, real income, purchasing power, and economic expansion.
	Data Source	Embassy Baghdad reporting. Bureau of Near Eastern Affairs reporting. IMF projections.



 <b>Outcome Indicator</b> 		
Indicator #4: Millennium Challenge Account: Median Values for the Six Indicators of Economic Freedom		
TARGETS	FY 2007	Millennium Challenge Account (MCA) programs continue. Fourth round of countries selected. Median values for indicators of economic freedom improve for MCA candidate countries.
	FY 2006	MCA programs continue. Third round of countries selected. Median values for indicators of economic freedom improve for MCA candidate countries.
RESULTS	2005	Congress approved funding of \$1.5 billion; however, no program funds were expended in FY 2005. Millennium Challenge Corporation (MCC) identifies second round of eligible and threshold countries. MCC compact negotiations continue vigorously. MCC board approved first MCA compact in March 2005 and signed it in April 2005. Improvements were made in the median scores in four of the six economic freedom categories with two remaining the same. Median scores improved for credit rating, days to start a business, inflation and fiscal policy, while remaining the same for regulatory quality and trade policy.
	2004	Congress approved initial MCA funding of \$1 billion. MCC was established and elected board officers. MCC identified first round of eligible countries and first round of threshold countries. MCC adjusted indicators for eligibility. No MCA programs funded.
	2003	Obtain congressional support and legislative authorization for the MCA. Assist best performing countries, based on 16 MCA indicators, in their preparations for MCA applications. Choose countries for initial MCA funding and establish administrative mechanism.
	2002	President announced MCA. Agreement on indicators for MCA allocation.
DATA QUALITY	Indicator Validation	Rising medians for each of the six indicators of economic freedom evaluated by the MCC will demonstrate the effectiveness of the MCA in promoting sustainable economic development. The current economic freedom indicators are: regulatory quality, cost of starting a business, days to start a business, trade policy, inflation and fiscal policy. Each of these indicators is evaluated for every candidate country annually. Data is then compiled to establish the median value for the entire pool of countries. Each year this value will change depending upon how the candidates have performed. The actual values are not the targets, but improvement in the values is the goal. The other four are more difficult to understand as actual values, but improvement can be measured.
	Data Source	Millennium Challenge Corporation: <a href="http://www.mcc.gov/countries/rankings/FY05/index.shtml">http://www.mcc.gov/countries/rankings/FY05/index.shtml</a>



I/P #2: Science-Based Decision-Making and Standards Development			
Science and Technology (S&T) cooperation strengthens ties with neighbors and key allies, promotes development, and facilitates access to international markets for new technologies.			
	Output Indicator		
Indicator #1: Effectiveness of Contacts Between Science and Technology Communities and Policymakers			
TARGETS	FY 2007	<ul style="list-style-type: none"><li>1. State and USAID strengthen partnerships to foster science and technology, engineering and education as core precepts of merit-based research and development cooperation, science-based decision-making, sustainable development, good governance, and democracy.</li><li>2. U.S. agrobiotech initiatives continue to reinforce our efforts to build indigenous agrobiotech capacity in developing countries. Brazil, Argentina, India, China emerge as dominant users and play major advocacy roles. Acreage of agricultural biotechnology crops increases 12 percent.</li><li>3. U.S. space, energy, and IT technology exports continue to rise.</li><li>4. UNESCO programs internalize the U.S. education initiative into its programs on education and basic sciences and engineering to break down bureaucratic stovepipes and save and leverage resources.</li><li>5. A new series of Global Dialogues on Emerging science and technology partnerships begin in Russia, Latin America, and with the Muslim world.</li><li>6. U.S./EU Perspectives on Future science and technology conference series continue with scientists and policymakers in Europe.</li><li>7. A new U.S. regime promulgated for transborder movement of research materials, information, and equipment.</li></ul>	
	FY 2006	<ul style="list-style-type: none"><li>1. Based on National Academy of Science recommendations, USAID designates a science and technology advisor and considers establishing a new directorate for science and technology and sustainable development.</li><li>2. Acreage of agricultural biotechnology crops increases 12 percent.</li><li>3. Conferences with the Muslim world to address K-12 science and mathematics education, science and technology, engineering and graduate education, empowerment of women in science and engineering are held in Middle East countries with State, host countries, and NGO sponsorship.</li><li>4. Bilateral and multilateral initiatives in science and technology, engineering and education increase, beginning with U.S.-sponsored Engineering for the Americas conference to develop common standards, curricula, and accreditation.</li><li>5. Global Dialogues on Emerging science and technology and U.S./EU Perspectives on Future science and technology conference series foster networks between scientists and policymakers in Europe, China, India in fields such as quantum computing and cryptology, nanotechnology and human health, biogenetics and infectious diseases.</li><li>6. India is invited to join International Thermonuclear Experimental Reactor (ITER), final agreement is signed into force by all parties, construction begins in France</li></ul>	
RESULTS	2005	<ul style="list-style-type: none"><li>1. The EU declared field trials for agrobiotech crops permissible, but regulatory procedures and social aversion to biotech commodities persist.</li><li>2. The U.S. initiative for engineering and education at UNESCO was endorsed by 25 nations and unanimously accepted by the Executive Council in April and will be tracked into the UNESCO program of work in FY 2006-2007.</li><li>3. Major Asian nations – China and India, particularly – are moving briskly ahead to utilize agrobiotech in their food supplies.</li><li>4. Latest aerospace industry figures show a positive net trade balance for the sector of \$31 billion for calendar year 2004, one of the best years ever.</li><li>5. Data on low emission energy technology sales no longer collected.</li><li>6. Six-party negotiations on International Thermonuclear Experimental Reactor (ITER) resolved a contentious issue over the site selection, agreeing that the facility will be built in France; ITER negotiations are now underway to implement formal agreement and begin construction in CY 2006.</li></ul>	







	2004	<ol style="list-style-type: none"> <li>1. The Science and Technology Advisor to the Secretary (STAS) has contributed to and joined the process to evaluate science and technology for USAID.</li> <li>2. UN organizations have continued to expand efforts to use sound science in development -- a new draft report on science and technology and Innovation is an example of such work.</li> <li>3. The STAS was a senior member of the U.S. delegation to rejoin UNESCO in October 2004 and STAS partnered with the U.S. professional engineering societies and the Army Corps of Engineers to launch a new USUNESCO initiative, "Engineering for a Better World."</li> <li>4. STAS and a professional fellow have also helped Bureau of Economic and Business Affairs (EB) augment its agrobiotech activities in Latin America.</li> </ol>
	2003	<ol style="list-style-type: none"> <li>1. EB biotechnology negotiator featured science-based approaches in all negotiations, supported by expert scientists.</li> <li>2. STAS mobilized the U.S. engineering community to support U.S. reentry into UNESCO.</li> <li>3. STAS funded a National Research Council report on Science Advice in the UN System.</li> <li>4. A regional agrobiotech initiative was launched with the African science and technology community to foster new technologies and trade.</li> <li>5. The Energy Technology Task Force stimulated joint research, provides impetus for public/private partnerships and joint ventures.</li> </ol>
	2002	<ol style="list-style-type: none"> <li>1. U.S. Government organized and sponsored four roundtables on biotechnology and nanotechnology issues.</li> <li>2. Reforms were completed and published for International Trade in Armaments regulations governing scientific and environmental satellites.</li> <li>3. U.S. Government launched a Task Force for International Energy Technology Cooperation supporting the President's climate change initiative.</li> <li>4. STAS partnered with the U.S. engineering community to support U.S. policy goals for the World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa.</li> </ol>
DATA QUALITY	Indicator Validation	Increased contacts between Science and Technology (S&T) communities and policymakers help to foster S&T international collaboration, including with Islamic nations, to encourage the use of sound science for decision-making, regulation, transborder movement of research materials, information, and equipment, and regulation of and increased trade in information technologies, agrobiotechnology commodities, energy and environmental technologies, and space products and services.
	Data Source	The bureaus of International Organizations and Western Hemisphere Affairs and U.S. embassies report on progress in UNESCO and OAS programs for S&T, engineering and education, while regional bureaus and missions can follow developments in host countries. The specific, non-trade activities such as international S&T cooperation under this indicator are best measured by records kept by the Bureaus of Economic and Business Affairs, Oceans and International Environment and Scientific Affairs (OES), the Office of the Science and Technology Officer, regional bureaus, AID, NSF, and US universities and laboratories, while trade flows will be amply measured by the Commerce, Agriculture, and Energy Departments, National Aeronautics and Space Administration, and private industry and trade associations. Finally, the Department of Energy will remain the principal participant and accountant for progress in the ITER program.





 <b>Output Indicator</b> 		
Indicator #2: Global Position System Cooperation and Sales		
TARGETS	FY 2007	Global Positioning System (GPS)-Galileo Phase II negotiations seek to intensify cooperation between the U.S and EU on satellite navigation. The joint working groups established for Galileo development phase (Phase I) are replaced by a U.S.-EU coordination board to maximize interoperability of the two independently operated systems. International organizations confirm GPS emergency services remain free of charge to users. Working groups continue to address interoperability issues for next generation of GPS. Outreach activities target adoption of a GPS-based augmentation system for Brazil and other Latin American markets.
	FY 2006	GPS cooperation is a major element of the high-level U.S.-India Working Group on Civil Space Cooperation. India will implement a GPS-based augmentation system. A joint U.S.-Brazil working group is in place to enhance cooperation. Outreach activities (visits by U.S. experts, government-to-government consultations on GPS issues, and U.S. participation in regional conferences) continues for the purpose of promoting the use of GPS on a global basis, which leads in turn to de facto acceptance of GPS as a global standard for satellite navigation. Increased use of GPS ensures continued sales growth in GPS equipment and services.
RESULTS	2005	GPS sales worldwide passed \$17 billion target in early FY 2005. Meeting of first GPS-Galileo working group established under agreement with the EU was held and was highly successful. Negotiations underway with Russia on GPS cooperation. Joint announcement confirmed Japan's system will be interoperable with GPS. Successful workshop with Brazil in Sao Paolo. India signed \$20 million contract with U.S. supplier for regional augmentation ground equipment. Space cooperation, including GPS, prominently featured in April Rice-Singh meetings on U.S.-India partnership.
	2004	GPS sales worldwide exceeded \$15 billion target. GPS-Galileo cooperation agreement signed. Preliminary discussions underway with Russia on GPS cooperation and with India and Brazil on GPS applications. Technical discussions underway with Japan on interoperability between GPS and Japan's proposed navigation satellite system.
	2003	<u>Baseline:</u> Growth in GPS use and equipment exports are threatened by EU plans to implement a competing and more advanced positioning system, the Galileo system, which is not technical interoperable with GPS and could raise problems for the military communications system.
	2002	N/A
DATA QUALITY	Indicator Validation	Growth in GPS-related sales and regional augmentations systems are the best available means of measuring on a world-wide basis the extent of acceptance of GPS. The major agreement on GPS-Galileo cooperation signed with the European Union in June 2004 protects GPS signals from harmful interference and calls for a level playing field for trade in GPS goods and services, thereby helping preserve GPS's status as a global standard for space-based positioning, navigation, and timing.
	Data Source	OES directly tracks negotiations; including GPS-Galileo working group progress.



I/P #3: Women's Economic Participation in Key Countries			
This initiative promotes the expansion of economic opportunities for women in Afghanistan, Iraq, the Broader Middle East, Africa, and Latin America. Promoting entrepreneurship among women contributes to poverty reduction throughout society.			
	Output Indicator		
Indicator #1: Economic Status of Iraqi Women			
TARGETS	FY 2007	<ul style="list-style-type: none"><li>1. Supplemental funding for Iraqi Women's Democracy Initiative will facilitate entrepreneurial training, build the capacity of local NGOs, and reach out to women in the grassroots and to young women.</li><li>2. Women's Economic Empowerment Centers and grantee-supported NGOs become self-sustaining.</li><li>3. Skills training centers and microcredit facilities are expanded to regions deemed safe and stable, with emphasis on teaching women in rural areas to be competitive in cottage industries, small manufacturing, civil service skills, and information technology.</li><li>4. Iraqi women who were recipients of USG mentoring and training programs become mentors of additional Iraqi women in small business and microcredit enterprises.</li></ul>	
	FY 2006	<ul style="list-style-type: none"><li>1. Supplemental funding for Iraqi Women's Democracy Initiative will facilitate entrepreneurial training of 400 women, through local women's NGOs, who seek to establish their own businesses.</li><li>2. Train 800 women (multiplier effect from train-the-trainer program in 2005) to be competitive in cottage industries, small manufacturing, civil service skills, and information technology.</li><li>3. U.S.-Iraqi Women's Network facilitates mentoring of 30 Iraqi women in small business and micro credit enterprises.</li><li>4. Grantees under Iraqi Women's Democracy Initiative build capacity of Iraqi women's NGOs, providing \$150,000 in microgrants to 30 NGOs.</li><li>5. Women's Economic Empowerment Centers opened in Basra and Karbala, providing skills training and human rights education.</li><li>6. Delegation of Iraqi entrepreneurs, sponsored by G/IWI, attend U.S.-Arab Economic Forum, fostering lasting ties between US, Iraqi, and Middle Eastern business communities.</li></ul>	
RESULTS	2005	Iraqi Women's Gift Fund established to form private-public partnerships devoted to supporting Iraqi women. Iraqi Women's Democracy Initiative grantees implement successful train-the-trainer programs that emphasize entrepreneurial and business skills.	
	2004	Iraqi Women's Democracy Initiative funded 7 grantees to run programs, several of which are focused on economic training.	
	2003	Iraq in conflict. G/IWI makes initial contacts with Iraqi women leaders to assess needs.	
	2002	N/A	
DATA QUALITY	Indicator Validation	The start of new businesses or expansion of existing ones by Iraqi women will indicate an emerging ability to participate in economic activities. Training programs will have to be adjusted periodically to meet the changing needs and goals of Iraqi women.	
	Data Source	U.S.-Iraqi Women's Network	



		Output Indicator			
Indicator #2: Economic Status of Afghan Women					
TARGETS	FY 2007	<div>1. USAID, U.S.-Afghan Women's Council (USAWC) partners, and Afghan Ministry of Women's Affairs, and Foreign Ministry develop programs for Afghan women on training women in basic business skills; women's businesses become more competitive as Afghanistan's economy opens up to imports; products and markets identified in which women will have a comparative advantage; and developing women's agribusinesses; an additional 150 women enter non-traditional vocational areas.</div> <div>2. FINCA International expands Afghan operations with support from Afghan government. Roughly 75,000 women benefit from combination of microloans and grants.</div> <div>3. Afghan Literacy Initiative reaches 100,000 students ages 7-25 in additional provinces outside of Kabul.</div>			
	FY 2006	<div>1. Training programs enable women to enter non-traditional vocational areas, such as carpentry and auto mechanics.</div> <div>2. Afghan Literacy Initiative, through Women's Teacher Training Institute (WTTI), reaches 9,600 students, 50% of them women and older girls, in 192 villages of 5 rural provinces.</div>			
RESULTS	2005	<div>1. 15 of 17 Women's Resource Centers were completed. Equipping and furnishing was completed in all but two centers.</div> <div>2. USAWC partner expanded microfinance program to Kabul and 3 other provinces. After one year, FINCA has lent \$1.7 million (9,660 loans with an average \$170/loan). USAWC partner Freddie Mac contributed additional funds to provide microfinance loans to widows.</div> <div>3. USAID-funded rug weaving project provided training and markets to 300 female traditional carpet weavers. Women also received training in basic business skills like pricing, profitability, and marketing.</div> <div>4. ECA-funded (USAWC) grantees (the University of Delaware and the Afghan Institute for Learning) conducted 2 workshops on leadership training in Kabul for Ministry of Women's Affairs and other organizations (65 women) and 1 workshop in Herat for 30 women. ECA-funded (USAWC) grantee (Women for Afghan Women) brought 10 Afghan women entrepreneurs to the U.S. in May 2005 for training in business skills and marketing. The Afghan women will train others at the Women's Resource Centers.</div> <div>5. USAID and Embassy of Afghanistan brought 5 female Afghan entrepreneurs to Global Summit of Women in Mexico</div> <div>6. Follow-up to Artemis Project established a 2-year mentorship program between U.S. and Afghan businesswomen; Federation of Afghan Businesswomen is also established, expanding opportunities for Afghan women to market their goods and network with American business community.</div> <div>7. WTTI trained 384 village teachers and 26 district teacher trainers.</div>			
	2004	<div>1. USAID and the Provincial Reconstruction Team (PRT) completed 3 provincial women's centers (2 were with Relief International, 1 was by the PRT with a wall and equipment provided by IOM and USAID funding).</div> <div>2. USAWC built several of 17 planned Women's Resource Centers.</div> <div>3. USAWC, along with AOL/Time Warner Foundation, Daimler-Chrysler Corporation, the Rockefeller Foundation, and the Foundation for International Community Assistance (FINCA), established 7 microcredit facilities and delivered computers.</div> <div>4. USAWC grants results: 1,000 women received microcredit loans and started businesses (through FINCA); 250 women received job skills training.</div> <div>5. Worked with USAID to bring 9 Afghan women to 2004 Global Summit in Korea to discuss trade opportunities and receive entrepreneurship training.</div> <div>6. The American University of Afghanistan, the Women's Teacher Training Institute, and Afghan Literacy Initiative were established. Worked with USDA to secure Cochran Fellowships for 11 Afghan women from 5 provinces.</div>			



	2003	<ol style="list-style-type: none"> <li>1. U.S. announced \$2.5 million to build 14 women's resource centers in 14 provinces.</li> <li>2. Council committed \$1 million in education and exchange programs for the centers.</li> <li>3. Council obtained \$10,000 grant from Daimler-Chrysler to establish two community banks in Herat. Council initiates projects to enable widows to sustain themselves economically.</li> <li>4. Global Summit of Women (July 2002 in Barcelona, Spain) donated approximately \$10,000 for job-skills training for women.</li> </ol>
	2002	Establishment of organizational and funding framework for U.S.-Afghan Women's Council, a public-private partnership.
DATA QUALITY	Indicator Validation	Countries cannot expect to maximize their economic growth potential or to reduce poverty without the integration of women into the economy.
	Data Source	U.S.-Afghan Women's Council, FINCA.

### I/P #4: Private Sector Capacity

Private sector investment is essential if developing countries are to achieve the high sustained rates of economic growth (5-7 % per year) that are needed to reduce poverty.




### Output Indicator

#### Indicator #1: Enterprise Level Competitiveness



TARGETS	FY 2007	<ol style="list-style-type: none"> <li>1. 4,864,624 loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>2. \$3,700,000,000 in loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>3. 320,000 firms directly participating in USAID sponsored activities to strengthen their competitiveness/productivity (annually).</li> </ol>
	FY 2006	<ol style="list-style-type: none"> <li>1. 4,422,386 loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>2. \$3,400,000,000 in loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>3. 306,000 firms directly participating in USAID sponsored activities to strengthen their competitiveness/productivity (annually).</li> </ol>
RESULTS	2005	<ol style="list-style-type: none"> <li>1. 4,020,351 loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>2. \$3,054,122,019 in loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>3. 278,077 firms directly participating in USAID sponsored activities to strengthen their competitiveness/productivity (annually).</li> </ol>
	2004	<ol style="list-style-type: none"> <li>1. 2,247,926 loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>2. \$809,037,380 in loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>3. 63,715 firms directly participating in USAID sponsored activities to strengthen their competitiveness/productivity (annually).</li> </ol>
	2003	<p>Baselines:</p> <ol style="list-style-type: none"> <li>1. 1,338,864 loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>2. \$363,054,541 in loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups).</li> <li>3. 89,913 firms directly participating in USAID sponsored activities to strengthen their competitiveness/ productivity (annually).</li> </ol>
	2002	N/A



DATA QUALITY	Indicator Validation	Providing loans and other types of assistance to strengthen firms' competitiveness and productivity and promote private sector growth fuels economic expansion and poverty reduction. It should be noted that the large increase for indicators from 2004 and 2005, and subsequent projections for 2006 and 2007 represent the contribution of the Iraq program. Future projections are based on similar future levels in Iraq.
	Data Source	USAID annual reports from operating units.


 <b>Output Indicator</b>		
<b>Indicator #2: Support for Entrepreneurship</b>		
TARGETS	FY 2007	<ol style="list-style-type: none"> <li>35% of countries reporting reduced number of days to start a business; average days reduced = 10 (from FY 2006 number)</li> <li>60% of countries reporting reduced cost to start a business; average cost reduction = 5% of per capita income</li> </ol>
	FY 2006	<ol style="list-style-type: none"> <li>35% of countries reporting reduced number of days to start a business; average days reduced = 10</li> <li>65% of countries reporting reduced cost to start a business; average cost reduction = 5% of per capita income</li> </ol>
RESULTS	2005	<ol style="list-style-type: none"> <li>36% of countries reporting reduced number of days to start a business; average days reduced = 15.4</li> <li>78% of countries reporting reduced cost to start a business; average cost reduction = 6% of per capita income</li> </ol>
	2004	<u>Baseline:</u> <ol style="list-style-type: none"> <li>46.5% of the countries reporting reduced number of days to start a business; average days reduced = 13.65</li> <li>72% of the countries reporting reduced cost to start a business; average cost reduction = 13.03% of per capita income</li> </ol>
	2003	N/A
	2002	N/A
DATA QUALITY	Indicator Validation	This indicator measures the score a country receives on the World Bank/International Finance Corporation "Doing Business" Index, which indicates the enabling environment for business growth and the government's support for entrepreneurship.
	Data Source	World Bank/International Finance Corporation "Doing Business" Index.



 <b>Output Indicator</b> 		
Indicator #3: Number of Sub-Saharan African Governments with Sovereign Credit Ratings		
TARGETS	FY 2007	Sovereign Credit Ratings for 17 countries.
	FY 2006	Sovereign Credit Ratings for 15 countries.
RESULTS	2005	Fitch Rating Services has completed additional ratings to include Mali, Niger and Benin.
	2004	Africa Bureau Sovereign Credit Ratings Program working with Fitch Rating Services expects additional ratings assessments to take place this year in Mali, Niger, Benin, and Kenya. These countries have either formally expressed an interest in a rating and are scheduled for visits, or are in the process of discussions with Fitch Ratings.
	2003	Ten countries with formal sovereign credit ratings completed.
	2002	Five countries: South Africa, Botswana, Mauritius, Senegal, and Lesotho.
DATA QUALITY	Indicator Validation	Sovereign credit ratings are strongly correlated with faster economic growth and investment. The credit rating is an important indicator of the views of the private sector; improved ratings usually lead to lower cost of capital and greater domestic and foreign direct investment.
	Data Source	Fitch Rating Services





Annual Performance Goal #2	
EP.02 INCREASED TRADE AND INVESTMENT ACHIEVED THROUGH MARKET-OPENING INTERNATIONAL AGREEMENTS AND FURTHER INTEGRATION OF DEVELOPING COUNTRIES INTO THE TRADING SYSTEM.	


I/P #5: Create Open and Dynamic World, Regional, and National Markets		
Open markets to ensure competitive access for U.S. goods, services, and investment, greater prosperity for the American public, and growth and stability abroad.		
 <b>Output Indicator</b>		
Indicator #1: Non-Oil Exports from USAID-Assisted Countries		
TARGETS	FY 2007	\$2,555,647,000 increase in non-oil exports (from 2004) in countries where USAID provides trade development assistance.
	FY 2006	\$2,323,315,500 increase in non-oil exports (from 2004) in countries where USAID provides trade development assistance.
RESULTS	2005	\$2,112,105,000 increase in non-oil exports (from 2004) in countries where USAID provides trade development assistance.
	2004	\$439,467,194 increase in non-oil exports of countries where USAID provides trade development assistance.
	2003	Baseline: \$161,979,374 increase in non-oil exports of countries where USAID provides trade development assistance.
	2002	N/A
DATA QUALITY	Indicator Validation	This indicator measures USAID-assisted firms' participation in markets at various levels and the income they gain as a result of more open trade. In turn, increases in exports generate income and revenue for development and investment.
	Data Source	USAID annual reports from operating units.





 <b>Output Indicator</b> 		
Indicator #2: Status of Negotiations on Open Markets for Services, Trade, and Investment		
TARGETS	FY 2007	World Trade Organization (WTO) Doha round completed, and Free Trade Area of the Americas (FTAA) negotiations near conclusion. Two Free Trade Areas (FTAs) concluded. Initiate additional FTAs and Bilateral Investment Treaty (BITs). Two Open Skies and two liberalizing aviation agreements.
	FY 2006	WTO Doha round near conclusion, and consensus obtained to actively resume FTAA negotiations. Two FTAs concluded. Two FTAs enacted. Two FTAs enter into force. Two new BITs concluded; two new BIT negotiations launched. Two Open Skies and two liberalizing aviation agreements.
RESULTS	2005	Doha Round progressing with members actively engaged in negotiations. Model BIT publicly released. BIT negotiations with Pakistan underway; initial consultations on possible BIT held with Saudi Arabia and Algeria. Andean, Oman, United Arab Emirates (UAE) FTA negotiations on track. Central American-Dominican Republic FTA (CAFTA-DR) and Bahrain enactment expected. Australia FTA entered into force January 2005. Morocco FTA entry into force expected. FTA of the Americas (FTAA) continues slowly. U.S. and EU regulatory agencies work to share information and harmonize regulatory systems.
	2004	<ol style="list-style-type: none"> <li>1. Successful WTO Doha Round framework agreement July 2004.</li> <li>2. Four FTAs involving ten countries concluded and signed (Australia, Morocco, CAFTA-DR, and Bahrain). Legislation to implement Australia and Morocco FTAs enacted. Andean and Panama FTAs initiated. SACU and FTAA negotiations continue slowly. Thailand identified as partner for eventual FTA. Chile and Singapore FTAs entered into force.</li> <li>3. One BIT concluded (Uruguay); talks launched on second. Model BIT text drafted.</li> <li>4. Four Open Skies and two liberalizing aviation agreements concluded.</li> </ol>
	2003	<ol style="list-style-type: none"> <li>1. Two FTAs (Chile, Singapore) concluded.</li> <li>2. WTO and FTAA negotiations continue.</li> <li>3. FTA negotiations began with Central American Free Trade Area (CAFTA), Morocco, Southern African Customs Union (SACU), and Australia.</li> <li>4. Notified Congress of intent to initiate FTA talks with Dominican Republic and Bahrain.</li> <li>5. Three Open Skies and two liberalizing aviation agreements concluded.</li> </ol>
	2002	<ol style="list-style-type: none"> <li>1. WTO launched new round in Doha. China and Taiwan joined WTO. Jordan FTA entered into force. Chile and Singapore FTA negotiations concluded.</li> <li>2. Morocco, CAFTA, SACU and Australia identified as partners for FTAs. BIT discussions continued with Venezuela, Peru, Colombia, and South Korea. China took concrete steps to remove trade barriers and open its markets; some shortfalls remained in areas of interest.</li> <li>3. Five aviation agreements concluded.</li> </ol>
DATA QUALITY	Indicator Validation	These agreements expand the international framework to create a dynamic, free and open trade system. Substantial global trade liberalization results from multilateral, regional, and bilateral trade and investment agreements. Substantial continued growth in trade and investment validates this approach.
	Data Source	World Trade Organization, U.S. Trade Representative (USTR)




 <b>Outcome Indicator</b>		
Indicator #3: Progress in WTO accession in USAID-assisted Countries		
<b>TARGETS</b>	<b>FY 2007</b>	<ol style="list-style-type: none"> <li>15 USAID-assisted countries in some level of WTO accession prior to full membership</li> <li>7 USAID-assisted countries advanced at least one stage (on scale of 0-5) in the process of WTO accession</li> </ol>
	<b>FY 2006</b>	<ol style="list-style-type: none"> <li>15 USAID-assisted countries in some level of WTO accession prior to full membership</li> <li>7 USAID-assisted countries advanced at least one stage (on scale of 0-5) in the process of WTO accession</li> </ol>
<b>RESULTS</b>	2005	<ol style="list-style-type: none"> <li>14 USAID-assisted countries in some level of WTO accession prior to full membership</li> <li>6 USAID-assisted countries advanced at least one stage (on scale of 0-5) in the process of WTO accession</li> </ol>
	2004	<ol style="list-style-type: none"> <li>29</li> <li>5 in ANE Region: Nepal, Cambodia, Lebanon, Vietnam, and Yemen.</li> <li>Iraq has observer status, and Afghanistan put in application for observer status.</li> <li>16 of 16 LAC presence countries are WTO members.</li> </ol>
	2003	<u>Baseline</u> : 28
	2002	N/A
<b>DATA QUALITY</b>	Indicator Validation	Participation and membership in the WTO indicates a commitment to trade and its economic benefits and an active engagement with other countries regarding trade agreements and integration. Figures prior to 2005 included WTO member countries which should not have been included. This included countries that had achieved WTO status but had not directly been assisted by USAID and others that had received assistance by USAID but so long ago that it did not directly indicate actual current impact for this indicator. A new database source was used to more accurately measure the impact of assisting countries in the WTO accession process.
	Data Source	USAID Trade Capacity Building Database (TCB) and annual reports from operating units.



Output Indicator		
Indicator #4: Trade Between the United States and Sub-Saharan Africa		
TARGETS	FY 2007	Excluding U.S. energy-related imports, two-way trade between the United States and sub-Saharan Africa of \$16.0 billion in CY 2007.
	FY 2006	Excluding U.S. energy-related imports, two-way trade between the United States and sub-Saharan Africa of \$15.5 billion in CY 2006.
RESULTS	2005	Excluding U.S. energy-related imports, two-way trade between the United States and sub-Saharan Africa totaled \$15.0 billion for CY 2005.
	2004	Excluding U.S. energy-related imports, two-way trade between the U.S. and sub-Saharan Africa totaled \$14.5 billion for CY 2004.
	2003	Excluding U.S. energy-related imports, two-way trade between the United States and sub-Saharan Africa was \$13.5 billion in CY 2003.
	2002	Excluding U.S. energy-related imports, two-way trade between the United States and sub-Saharan Africa was \$12.4 billion in CY 2002 (\$24.1 billion including energy related imports).
DATA QUALITY	Indicator Validation	This indicator excludes U.S. energy-related imports. Trade levels are a key indicator of the degree of openness for an economy; other factors being equal, economies that are becoming more open should see greater trade activity and increased prosperity.
	Data Source	Office of the U.S. Trade Representative




I/P #6: Integrating Environmental Protection and Trade		
Negotiation and implementation of bilateral and multilateral trade agreements promote mutually supportive trade and environment policies.		
	Outcome Indicator	
Indicator #1: Trade Agreements That Enhance International Protection and Preservation of the Environment While Promoting Liberalized Trade		
TARGETS	FY 2007	<div>1. Environmental cooperation agreements, arrangements and work programs negotiated and implemented with new free trade partners.</div> <div>2. Dedicated budgetary resources enable smooth implementation of environmental cooperation workplans.</div> <div>3. A regional development bank adopts improved environmental standards.</div>
	FY 2006	<div>1. Central American Free Trade Agreement (CAFTA) Economic Cooperation Agreement (ECA) work plan to be approved at first Commission meeting, six months after entry into force of the ECA.</div> <div>2. New Free Trade Agreements (FTAs) contain satisfactory environmental provisions and are supported by an accompanying ECA.</div> <div>3. Workplans are developed for environmental cooperation with Andean FTA partners, Oman, and the United Arab Emirates (UAE), if FTA completed.</div> <div>4. The WTO Committee on Trade and Environment (CTE) concludes negotiations and discussions on topics mandated by the Doha Development Agenda (DDA).</div>
RESULTS	2005	<div>1. Inter-American Development Bank (IDB) and the International Finance Corporation (IFC) are reviewing environmental standards and processes at the behest of the U.S. and others. The Millennium Challenge Corporation (MCC) released interim environmental guidelines for its funding.</div> <div>2. Faced with slow progress in the South African Customs Union (SACU) and Free Trade Area of the Americas (FTAA) negotiations, USTR stepped up the pace of other bilateral and regional FTA negotiations. FTA with Australia entered into force January 2005. The U.S., most countries in Central America, and Dominican Republic ratify DR-CAFTA, allowing it to enter into force January 1, 2006. Substantial progress in negotiating FTA, including robust environment chapter, with Andean countries, as well as Oman, Thailand, and the UAE. Negotiations on U.S.-Panama FTA continuing.</div> <div>3. ECA with Central American countries and the Dominican Republic signed February 18, 2005. ECA negotiations with Andean countries nearing conclusion. Panama poised to join Dominican Republic-Central America-U.S. ECA upon concluding a bilateral FTA. Environmental cooperation mechanism negotiations with Oman successfully concluded, proceeding on track with Thailand, Oman and UAE.</div> <div>4. ECA work program negotiations with DR and Central America nearly concluded. Work programs with Singapore concluded; work programs with Morocco and Bahrain are under development.</div> <div>5. Projects undertaken to implement U.S./Chile Environmental Cooperation Work Program in several areas, including</div> <div>6. WTO fisheries subsidies discussions continue. Ecolabeling guidelines endorsed March 2005. APEC Live Reef Foodfish Trade project completed; functional scheme for an FAO guideline-consistent ecolabel for reef fish trade is outlined.</div>




	2004	<ol style="list-style-type: none"> <li>1. FTA negotiations and environmental cooperation arrangements completed with Morocco, Australia, and Bahrain.</li> <li>2. U.S.-DR-CAFTA signed; ECA concluded in 2003 revised to include Dominican Republic; U.S. proposes Environmental Cooperation Work Program outline to Central America and Dominican Republic.</li> <li>3. U.S. Chile Environmental Cooperation Agreement enters into force, negotiations for Work Program concluded and project work initiated.</li> <li>4. Negotiations begin with Panama for bilateral FTA; discussions held as to whether Panama would join the DR-CA-US ECA.</li> <li>5. WTO-CTE continued discussions.</li> <li>6. OECD Member States agree on common approaches to environmental standards for export credit agencies.</li> </ol>
	2003	<ol style="list-style-type: none"> <li>1. Fisheries subsidies negotiations in WTO continue.</li> <li>2. FAO adopts work plan on eco-labeling and other non-tariff trade measures.</li> <li>3. The amended South Pacific Tuna Access Treaty is submitted to the Senate and advice and consent to ratification is provided.</li> <li>4. U.S. expands technical domestic fisheries rules relating to sea turtles; notifies foreign governments that their programs may need to adopt comparable changes in order to export shrimp to the U.S.</li> <li>5. NAFO makes limited progress towards establishing a fair process for access to stocks.</li> <li>6. Singapore and Chile FTAs are concluded with satisfactory environmental provisions.</li> <li>7. Environmental Cooperation Agreement with Chile and an MOI on Environmental Cooperation with Singapore are signed.</li> </ol>
	2002	<ol style="list-style-type: none"> <li>1. An environmental review of proposed Singapore and Chile FTAs is conducted.</li> <li>2. World Summit on Sustainable Development Joint Plan of Implementation concluded with satisfactory trade and finance provisions.</li> <li>3. Most OECD Export Credit Agencies agree to voluntarily adopt environmental standards for export credit agency-supported projects.</li> <li>4. OECD, FAO, and APEC discuss non-tariff trade measures, such as food safety, rules of origin and eco-labeling.</li> <li>5. Several countries decertified pursuant to shrimp/turtle import law provide credible evidence of an enhanced program and are re-certified.</li> <li>6. U.S. access to fisheries stocks regulated by Northwest Atlantic Fisheries Organization is limited.</li> </ol>
DATA QUALITY	Indicator Validation	ECAs and workplans complement FTA environment chapters by building trading partners' environmental capacity. WTO-CTE discussions are an important mechanism to address trade and environment linkages. Regional development bank environmental practices are critical tool to ensure improved environmental performance in conjunction with development investment.
	Data Source	OES directly tracks events, in collaboration with EB, USTR, U.S. Government technical agencies and non-governmental partners. The OECD website ( <a href="http://www.oecd.org/">http://www.oecd.org/</a> ) provides information on these activities.



Annual Performance Goal #3
EP.03 SECURE AND STABLE FINANCIAL AND ENERGY MARKETS.

I/P #7: Secure Energy Supplies		
Ensure U.S. and global energy security by encouraging energy-sector investment in key countries, increasing international emergency oil reserves, and promoting development of advanced sustainable clean energy technologies.		
		
Output Indicator		
Indicator #1: Energy Sector Management Capacity		
TARGETS	FY 2007	<div>1. 364 energy institutions with improved capacity to reform and manage their sector.</div> <div>2. 105 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) drafted as a result of USAID programs.</div> <div>3. 64 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) adopted as a result of USAID programs.</div> <div>4. 20 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) implemented as a result of USAID programs.</div>
	FY 2006	<div>1. 357 energy institutions with improved capacity to reform and manage their sector.</div> <div>2. 95 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) drafted as a result of USAID programs.</div> <div>3. 58 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) adopted as a result of USAID programs.</div> <div>4. 15 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) implemented as a result of USAID programs.</div>
RESULTS	2005	<div>1. 337 energy institutions with improved capacity to reform and manage their sector.</div> <div>2. 87 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) drafted as a result of USAID programs.</div> <div>3. 53 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) adopted as a result of USAID programs.</div> <div>4. 11 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) implemented as a result of USAID programs.</div>
	2004	<div>1. 216 energy institutions with improved capacity to reform and manage their sector. FY 2004 will serve as baseline.</div> <div>2. 183 new energy policy interventions accomplished as a result of USAID programs.</div>
	2003	N/A
	2002	N/A
DATA QUALITY	Indicator Validation	Secure, stable energy markets and efficient, capable energy institutions - crucial structural elements for development - must be rooted in strong policies and reforms. This indicator examines whether countries are capable of managing the energy sector to achieve greater energy efficiency. The indicator was changed effective 2005 in order to more specifically measure impact, as the previous wording of "interventions" was judged to be too general. This explains the decrease in numbers between the 2004 baseline and 2005.
	Data Source	USAID annual reports from operating units.




I/P #8: Stable Financial Markets		
Enable countries to avert or recover from financial crises and to access private capital.		
 <b>Output Indicator</b>		
Indicator #1: Percentage of Debt Crisis Countries on IMF Programs Successfully Reforming		
TARGETS	FY 2007	65% of countries with an active Paris Club agreement are on IMF programs or otherwise reforming.
	FY 2006	60% of countries with an active Paris Club agreement are on IMF programs or otherwise reforming.
RESULTS	2005	83% of countries with an active Paris Club agreement were on IMF programs or otherwise reforming.
	2004	78% of countries with an active Paris Club agreement were on IMF programs or otherwise reforming.
	2003	74% of countries with an active Paris Club agreement were on IMF programs or otherwise reforming.
	2002	63% of countries with an active Paris Club agreement were on IMF programs or otherwise reforming.
DATA QUALITY	Indicator Validation	Debt relief programs provide effective leverage to encourage countries in financial crisis to adopt solid fiscal and monetary policies, contributing to individual country and international financial stability.
	Data Source	International Monetary Fund and Paris Club.








Annual Performance Goal #4
EP.04 ENHANCED FOOD SECURITY AND AGRICULTURAL DEVELOPMENT.

I/P #9: Agriculture-led Income Opportunities Expanded		
Capacity of organizations and individuals to support the production and distribution of food and marketable agricultural goods.		
<div></div> <div>Output Indicator</div>		
Indicator #1: Level of Agricultural Sector Capacity		
TARGETS	FY 2007	1. 1,768 agricultural technologies made available for transfer through USAID programs. 2. 9,620 producer organizations, trade and business associations, and CBOs assisted by USAID.
	FY 2006	1. 505 agricultural technologies made available for transfer through USAID programs. 2. 12,814 producer organizations, trade and business associations, and CBOs assisted by USAID.
RESULTS	2005	1. 511 agricultural technologies made available for transfer through USAID programs. 2. 10,759 producer organization, trade and business associations, and CBOs assisted by USAID.
	2004	1. 547 agricultural technologies made available for transfer through USAID programs. 2. 15,717 producer organizations, trade and business associations, and CBOs assisted by USAID.
	2003	N/A
	2002	N/A
DATA QUALITY	Indicator Validation	As arable land becomes scarcer and more strained, increasing agricultural productivity through a variety of technologies and efficiencies measures is crucial for ensuring a stable and adequate food supply and sufficient earning potential from agricultural activities.
	Data Source	USAID annual reports from operating units.





 <b>Output Indicator</b> 		
Indicator #2: Number of Countries Allowing Commercial Use of Agricultural Biotechnology and Global Acreage of Biotech Crops Under Cultivation		
TARGETS	FY 2007	20 countries commercialize agricultural biotechnology; acreage of agricultural biotechnology crops increases 12 percent.
	FY 2006	17 countries commercialize agricultural biotechnology; acreage of agricultural biotechnology crops increases 12 percent.
RESULTS	2005	Based upon full year data for CY 2004, ag biotech acreage was trending at a 15-20% rate of growth in the first 3 months of FY 2005.  China nears commercialization of biotech rice variety. French farmers plant biotech maize in relatively large quantities for the first time. The Spanish interministerial biotechnology commission approved Roundup Ready biotech corn seed for cultivation in Spain.
	2004	14 countries were producing biotechnology products. Australia approved the commercialization of biotechnology-derived canola. Malaysia and Thailand are taking steps toward putting biosafety frameworks in place that would allow for the commercialization of biotechnology-derived crops. Philippines approved a second biotech corn event. Brazil legalized its biotech soybean crop and approved biotech cotton. Total acreage increased 20%.
	2003	1. The Philippines and Brazil commercialized ag-biotech. 2. Acreage of agricultural biotechnology crops under cultivation increased 12 percent from 2001 to 2002.
	2002	1. India commercialized transgenic cotton. 2. Philippines and Brazil took initial steps toward commercializing ag-biotech.
DATA QUALITY	Indicator Validation	Science-based regulatory regimes in place to determine safety of agricultural biotechnology products. Strong regulatory system provides public confidence; provides strong foundation for policy decision to permit commercialization of biotechnology-derived crops. Countries that commercialize biotechnology-derived crops most likely to permit entry of biotechnology-derived products from other countries.
	Data Source	International Service for the Acquisition of Agri-biotech Applications. U.S. Department of Agriculture grain Reports.



 <b>Outcome Indicator</b>		
Indicator #3: Per Capita Food Production Index (All Developing Countries, 1989-91=100)		
<b>TARGETS</b>	FY 2007	131.7
	FY 2006	131.4
<b>RESULTS</b>	2005	130.9
	2004	128.6
	2003	NA
	2002	NA
<b>DATA QUALITY</b>	Indicator Validation	This is a measure of agricultural productivity as it affects both incomes and food security of billions of people in developing countries. It is key indicator of food security and vulnerability as well.
	Data Source	Food and Agriculture Organization of the United Nations



I/P #10: Protect and Increase Assets and Livelihoods of the Poor		
Ensure access to food to protect and enhance the livelihoods of vulnerable populations.		
	Output Indicator 	
Indicator #1: Number of People Receiving Title II Food Assistance		
TARGETS	FY 2007	103,000,000 people receiving Title II Food Assistance.
	FY 2006	101,000,000 people receiving Title II Food Assistance.
RESULTS	2005	100,000,000 people receiving Title II Food Assistance.
	2004	96,387,000 people received Title II Food Assistance.
	2003	124,019,000 people received Title II Food Assistance.
	2002	86,499,000 people received Title II Food Assistance.
DATA QUALITY	Indicator Validation	The broadest measure of USG impact on food insecure populations is the number of people receiving food assistance.
	Data Source	Data collected and reported by various USAID implementers (Varies on a mission-by-mission basis).



## V. Illustrative Examples

Economic Prosperity and Security	
<b>Building Trade Capacity in the Dominican Republic and Central America</b>	The US-Dominican Republic-Central American Free Trade Agreement (DR-CAFTA) established historical precedent by linking U.S. trade and development goals through a regional Committee on Trade Capacity Building. State, USAID, USTR, and other U.S. Government agencies, together with international organizations, NGOs and the private sector, are working with our trade partners to identify trade-related technical assistance needs and priorities. These efforts not only support the negotiation and implementation of the agreement, but help our partners lift their populations out of poverty, build prosperity, and reinforce democracy.
<b>India - Economic Engagement with an Important Emerging Market</b>	India's economic engagement with the United States continues to grow in size and complexity and we have sought to build upon that through new elements in our bilateral relationship. The Department established an Economic Dialogue, which has five principal components covering trade issues, financial and economic questions, environmental concerns and the potential of information and communications technologies and commercial issues. In addition, the Department launched an Energy Dialogue on May 31, 2005, focusing on key parts of energy security -- demand and supply management, clean technologies, more efficient power plant systems, and preparedness in the event of supply disruptions. State, USAID, and DOE work together in this process to help mobilize secure, clean reliable and affordable sources of energy and promote increased trade and investment in the energy sector by working with the public and private sectors to further identify areas of cooperation and collaboration. The Department also played a critical role in concluding an Open Skies Agreement with India in January. This breakthrough agreement completely liberalizes the aviation market between the two countries, leading directly to a substantially increased level of service to this important market.
<b>Expanding Trade and Economic Opportunities in Africa</b>	Through the President's Trade for African Development Enterprise (TRADE) Initiative, USAID has promoted economic growth, development, and jobs by expanding the opportunities for African firms to participate in international trade. The initiative is opening a new global market for African exports of seafood, coffee, shea butter, hand-woven textiles, apparel, and handicrafts. The initiative is promoting more efficient transportation networks in the Trans Kalahari Corridor in Southern Africa through a trilateral Memorandum of Understanding to extend the border opening hours and to simplify and harmonize customs documents. (Utilization of the Trans Kalahari Corridor has increased from 15 percent of capacity in 1999 to 60 percent in 2003). Furthermore, the initiative is building support within West African community for more transparent and harmonized tariffs to enhance freer regional trade.
<b>Mexico</b>	It is in the United States' interest to work with Mexico on its economic and political reform agendas, given Mexico's close proximity, its geopolitical importance in the region, and Mexican migration to the United States. The two countries share a frontier that has on average more than one million border crossings per day. Several U.S. and Mexican industries (particularly automotive and electronics) have closely linked production chains, many U.S. businesses remain dependent on an influx of Mexican migrant labor, and many Mexican firms are highly dependent on U.S. technology and the U.S. market. The USAID program in Mexico contributes significantly to the bilateral Bush-Fox Partnership for Prosperity to stimulate private investment. USAID's scholarship and exchange program will enhance the capacity of higher education institutions in the United States and Mexico to examine development problems, and will provide greater opportunities for Mexicans in poor, rural, and indigenous areas. Forty six university partnerships and 550 scholarships have been awarded to date. The partnerships have secured greater than a 1:1 ratio of matching funds. USAID is addressing natural resource conservation in key watersheds and biodiversity sites and generating new sources of income for rural farmers and inhabitants. USAID's microfinance program is working with credit unions, private banks, and associations to facilitate lower-cost remittance transfers from the United States to Mexico and encourage savings and investment by Mexicans in both countries.



## V. Resource Detail

**Table 1: State Appropriations by Bureau (\$ Thousands)**

Bureau (By Highest FY 2007 Request)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Organization Affairs	310,515	286,644	326,724
European and Eurasian Affairs	37,684	37,502	36,334
East Asian and Pacific Affairs	25,196	28,023	26,908
African Affairs	17,785	24,429	26,269
Other Bureaus	169,498	88,332	97,099
<b>Total State Appropriations</b>	<b>\$560,678</b>	<b>\$464,930</b>	<b>\$513,334</b>

**Table 2: Foreign Operations by Account (\$ Thousands)**

Title/Accounts	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>Title I - Export and Investment Assistance</b>			
Export-Import Bank	105,936	122,458	57,604
Overseas Private Investment Corp	(185,910)	(161,076)	(159,512)
Trade and Development Agency	32,696	32,250	32,192
<b>Title II - Bilateral Economic Assistance</b>			
USAID	1,104,793	927,209	834,998
Global HIV/AIDS Initiative	-	-	-
Other Bilateral Economic Assistance	2,134,034	1,456,072	1,618,058
Independent Agencies	96,026	100,129	103,947
Department of State	-	-	-
Department of Treasury	118,048	84,150	206,499
Conflict Response Fund	-	-	-
Millennium Challenge Account	1,488,000	1,752,300	3,000,000
<b>Title III - Military Assistance</b>			
International Military Education/Training	-	-	-
Foreign Military Financing	-	75	-
Peacekeeping Operations	-	-	-
<b>Title IV - Multilateral Economic Assistance</b>			
International Development Association	843,200	940,500	950,000
International Financial Institutions	375,999	336,736	378,968
International Organizations/Programs	241,223	247,741	228,105
<b>Total Foreign Operations</b>	<b>\$6,354,045</b>	<b>\$5,838,545</b>	<b>\$7,250,859</b>
<b>Grand Total</b>	<b>\$6,914,723</b>	<b>\$6,303,475</b>	<b>\$7,764,193</b>